	T	1	T.		
	C-1 The Public Works	C-2	C-3 The Planning	C-4 IT generates a report from	
	Permitting division notifies	Environmental		the County parcel change tape	
	the Environmental	Enforcement	monthly Building	for sewer services. The	Unit obtains the
	Enforcement Division of	determines which	Permit Reports,	Principal Account Clerk	official maps for
RISK MATRIX SEWER	ESD of all major new	companies should	address changes, and	reviews the report, keys	all changed
SERVICE USE CHARGE FUND	developments for industrial	be monitored.	new tract maps to the	appropriate changes and	parcels in the
	users.		Sewer Billing Unit.	initiates computer upgrade.	City limits.
	acc.c.		Control Dinning Control	ares compater apgrade.	ony mino
REVENUES - Sewer Service and Use Charges:					
T-1 Parcel locations in the database are not accurate (users are not charged for services)	A	Α	A	A	Α
T-2 Parcel coding the sewer database is not accurate (e.g. type of business)	, , , , , , , , , , , , , , , , , , ,	, , , , , , , , , , , , , , , , , , ,	A	, , ,	7.
T-3 Flow information is not accurate			Λ		
T-4 Loss adjustment factors in the database are not documented and/or appropriate					
T-5 Sewer fee calculations are not accurate					
T-6 Treasury is not following up on delinquent in-house invoiced accounts					
T-7 The sewer billing database is vulnerable to disruption					
REVENUES - Rate Structure:	1				
T-8 City is not in compliance with the Muni Code requirements setting sewer fees	1				
T-9 City is not in compliance with state revenue guidelines					
T-10 Rates are inappropriate, inaccurate, inequitable, excessive, or out of date					
T-11 City is not in compliance with Prop 218					
REVENUES - Sources of Funds					
T-12 County remitted sewer service charges are inaccurate					
T-13 Pooled investment earnings (interest income) are not properly distributed among the					
wastewater funds					
T-14 Cash balances are unnecessarily high					
EXPENDITURES - Direct Expenditures:					
T-15 Allocation of department costs and direct charges to the SSUC Fund are inappropriate					
and/or not in compliance with Muni Code					
T-16 ULFT rebate program is not needed for new installations					
EXPENDITURES - Transfers:					
T-17 Transfers to other funds are inappropriate and/or not in compliance with Muni Code					
T-18 Money transferred to other funds are commingled inappropriately					
T-19 Interest transfers to the General Fund were unnecessarily discontinued					
T-20 Overhead transfers to the General Fund do not cover General Fund costs.					
EXPENDITURES - TPAC:					
T-21 Cost distributions between the City and tributary agencies do not accurately reflect actual					
usage					
T-22 The City is paying more than its proportionate share for community relations costs and/or					
wastewater reduction incentive programs					
FLOW OF FUNDS AND ORGANIZATIONAL RESPONSIBILITY- Complexity of Fund Accounting	ng and Division of Respons	ibility			
T-23 Funds have outlived their usefulness					
T-24 Complexity of the flow of funds requires staff to spend too much time on fund accounting					
The state of the s					
T-25 Responsibility for monitoring the flow of funds is divided, too decentralized and not					
adequately coordinated					
T-26 Organizational division of wastewater responsibilities creates operational inefficiencies	1				
(aspects of the program are organizationally misplaced)					
FLOW OF FUNDS AND ORGANIZATIONAL RESPONSIBILITY - Interfund loans					
T-27 Loans to other funds are not formally documented, recorded, authorized and/or approved					
1. 2. 200.10 to other funds are not formally documented, recorded, adminized and/or approved					
T-28 Interfund loans are not repaid					
T-29 Interest on loans to other funds is not being accrued					
1-29 interest on loans to other runds is not being accrued			1		

C-6 The sewer billing database is periodically crosschecked to other County and City databases.	C-7 Treasury's investigator- collectors conduct (1) field checks of new annexations, (2) group field checks of at least two parcel map books per year, and (3) regular field checks requested weekly by the Sewer Billing Unit.	C-8 The Sewer Billing Unit audited all parcels coded "septic" about three years ago.	C-9 Competent staff with many years of experience take considerable pride in the accuracy of "their" database.	C-10 ESD-monitored companies can be moved to the sewer billing database if flow decreases or if the nature or composition of the flow changes.	C-11 The Sewer Billing Unit crosschecks the number of units in multi-family dwellings and monitors construction of new tracts.	C-12 Customers check their bills for accuracy and notify the City of any errors.	C-13 The Sewer Billing Unit obtains quarterly water usage information from all three water companies, and inputs this information into the database.	C-14 The Sewer Billing Unit scans quarterly water usage information in the database for anomalies and reviews a computerized exception report.
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Example 5-05E Risk Matrix

C-15 ESD obtains water usage information for monitored companies from water companies (San Jose Water Company sends water data on some ESD-monitored companies to the Sewer Billing Unit. Environmental Enforcement reads flow for monitored companies with wells).	C-16 Source Control Inspectors (Environmental Enforcement) in ESD are responsible for determining all loss adjustment factors.	reviewed by ESD as needed and/or	C-18 Residential fees on inhouse invoices are calculated by computer; commercial fees on inhouse invoices are calculated by staff. Tax roll fees are calculated by computer. Sewer Billing staff verify that rate tables in computer match Council resolution.	C-19 Customers receiving inhouse invoices see the parcel street address, the parcel number, the assessment period, a breakdown of the sewer and storm drain charges and the total charges on their invoice.	C-20 Monitored industries see spreadsheets showing calculation of fees.	C-21 Fees related to monitored companies are calculated using a database.	C-22 Staff review fee calculations for monitored companies (actual fees should closely match estimates).	C-23 Sewer Billing send delinquent notice if bill remains unpaid.
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C-24 Sewer Billing runs periodic reports of unpaid balances.	C-25 As part of its regular annual assessment cycle procedures, the Sewer Billing Unit applies ten percent penalty to delinquent accounts, and adds unpaid balances to next year's property tax roll.	C-26 Monitored industries are billed using the City's invoice system. Any delinquent payments are followed up by Treasury Division as part of its normal procedures.	C-27 The computer system is located at IT; IT staff are reviewed responsible for backup and contingency planning. C-28 Rate are reviewed and approved annually	C-29 Rates are submitted to the Budget Office for review and to the City Attornye's Office for drafting of sewer service rate resolution to ensure compliance with Muni Code.	C-30 The State Water Resource Control Board reviews and approves the City's rates annually.	C-31 Rates are based on number of residential units, type of business, flow, and sewage strength.	C-32 ESD is in the process of issuing an RFP to hire a consultant to reevaluate the rate structure and assess conformity with Prop 218.	C-33 City Attorney opinions on Prop 218 are supported, properly reviewed and approved.
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C-34 Sewer Billing provides Accounting with documentation of total sewer and storm drain amounts placed on the tax roll; Accounting reconciles to remittances received from the County.	C-35 Accounting oversees the monthly distribution of interest among the funds.	audits allocation of interest income	C-37 Beginning in 1997-98, Budget and Finance now sweep interest from 540 and 539 directly to the General Fund.	balances are earmarked for specific	C-39 High cash balances are maintained to keep the Fund's cash balances from going negative (541 receives money from the County only twice per year in January and June.)	C-40 Fund 541 is a multi- department fund and ESD and theBudget Office work closely to ensure that current and future funding requirements are identified and planned for.	C-41 Allocation of department costs and direct charges to the SSUC Fund are budgeted, reviewed, and approved.	C-42 Budget Office review.	Works have	C-44 Public Works distributes labor costs bi-weekly.
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C-45 ULFT program is mandated by the South Bay Action Plan and allows the City to comply with flow capacity.	C-46 ESD periodically assesses the impact of ULFT program and reports to the TP&E Committee.	C-47 The ULFT rebate program is primarily funded by SCVWD and is an area wide program including various sanitation districts.	C-48 Current area wide ULFT program has been reviewed and approved by TPAC and City Council	C-49 Transfers to other funds are budgeted, reviewed, and approved.	C-50 SSUC Capital Fund established this year to ensure that sewer fees are not commingled with Sanitary Sewer Connection Fees.	C-51 ESD staff reconciles budget to actual to ensure that transfers were made as budgeted.	C-52 City Attorney has reviewed interest transfers for compliance with Prop 218.	C-53 Finance calculates overhead rates annually.	C-54 City and tributary agency contributions are recalculated annually based on the master agreement.
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C-55 Actual City and tributary agency contributions are reconciled to actual expenditures annually; differences are credited/debited to accounts the following year.	C-56 TPAC approves operations and maintenance costs, capital expenditures and actual distributions.	C-57 Contributions for debt service, O&M, and capital, including SBWRP, are tracked by agency.	C-58 Detailed reconciliations are submitted to managers from other districts for their review.	C-59 Tributary agencies conduct education programs within their own jurisdictions.	C-60 Tributary agencies participate in joint interagency programs funded through WPCP (fund 513).	C-61 Joint community relations and wastewater reduction incentive programs are reviewed by all agencies, including San Jose, and approved by TPAC.	C-62 Each fund has a legal reason for being and/or exists to comply with the master agreement and the joint powers agreement between San Jose and Santa Clara.	C-63 Funds are used for tracking capital vs operating expenditures.	C-64 Funds are used to avoid commingling non-Proposition 218 revenues with Proposition 218 revenues.
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C-65 Funds are closed out once their purpose has been served.	separate tracking (ie.	reviewed and	has primary responsibility for monitoring wastewater	C-69 ESD Admin Unit has received approval for additional staff to account for debt service (previously handled by Finance).	C-70 All funding requests are submitted to the Budget Office for review and approval.	C-71 1993-94 reorganization of OEM, WPCP, and divisions of the Public Works departments yielded ESD.	C-72 No loans out of the sewer fund (fund 541).	C-73 Loans are documented, recorded, authorized and/or approved.	C-74 Loans are repaid according to the terms of the loan agreements.	C-75 Interest is accrued and/or transferred according to the terms of the loan agreements.
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